

**DEPARTMENT
POLICY****MA Only**

Medicare is a federal health insurance program administered by the Social Security Administration (SSA). Medicare has three parts: Part A, hospital insurance (HI), and Part B, supplementary medical insurance (SMI), Part D, prescription drug coverage. A person receiving Medicare may have to pay a monthly premium for his Medicare. A person is also responsible for some of the cost of Medicare-covered services. These costs are called coinsurances and deductibles.

Medicaid coverage includes Medicare cost-sharing benefits. This means Medicaid pays Medicare Part B premiums or Part A and B premiums, coinsurances and deductibles for certain Medicaid recipients. A person who can receive Medicare Part A free of charge is encouraged to apply for it.

The Department of Community Health (DCH) administers the Buy-In programs.

MEDICARE PART A

There are four provisions under which a person can be eligible for Medicare Part A:

- Section 226 of the Social Security Act,
- Section 226A of the Social Security Act,
- Section 1818 of the Social Security Act, and
- Section 1818A of the Social Security Act.

Most persons receive Medicare Part A under section 226 or 226A.

For Medicaid purposes it is important to distinguish only persons receiving under section 1818A from the other three sections.

226/226A Eligibility

A person will usually be eligible for Part A under section 226 or 226A of the Social Security Act if he:

- Is at least age 65 and has sufficient countable work history, or
- Has received RSDI or Railroad Retirement disability/blindness benefits for 24 consecutive months, or

- Has end-stage renal disease treated by a kidney transplant or a regular course of dialysis, or
- Has Amyotrophic Lateral Sclerosis, also known as “Lou Gehrig’s disease”.

There is no monthly Part A premium.

1818 Eligibility

A person is eligible for Part A under section 1818 of the Social Security Act if he meets all of the following criteria:

- He is at least age 65.
- He is a resident of the U.S. and is either:
 - A U.S. citizen, or
 - An alien lawfully admitted for permanent residence who has resided in the U.S. continuously for the 5-year period immediately preceding the month in which he meets all other requirements.
- He is **not** eligible for Medicare Part A without paying a monthly premium.
- He:
 - Is receiving Medicare Part B, supplementary medical insurance (SMI), or
 - Is eligible for and has applied for Medicare Part B during an enrollment period.
- He applies for enrollment during his “**Initial Enrollment Period**” or a “**General Enrollment Period**” (see below).

Exception: The general enrollment period is waived for persons covered by the “**Part A Buy-In Program**” (see below).

The monthly Part A premium must be paid to maintain eligibility.

1818 A Eligibility

A person is usually eligible for Part A under section 1818A of the Social Security Act if he meets all of the following criteria:

- He is under age 65.

- He has been entitled to Medicare Part A based on disability (including child's or widow(er)'s benefits based on disability).
- He continues to have the disabling impairment upon which his Part A eligibility has been based.
- His entitlement to disability-based Part A has ended solely because earnings exceed the dollar limit used to determine whether a person is performing a substantial gainful activity (SGA).
- He is **not** otherwise eligible for Part A.
- He applies for enrollment during his “**Initial Enrollment Period**” or a “**General Enrollment Period**” (see below).

A monthly Part A premium must be paid to maintain eligibility.

Enrollment

A person receiving RSDI or Railroad Retirement benefits is usually enrolled in Part A automatically if he is eligible. Other persons must apply for enrollment at the local SSA office during their “**Initial Enrollment Period**”, a “**General Enrollment Period**” or through the “**Part A Buy-In Program.**”

Premiums

Persons receiving Part A under sections 226 and 226A qualify for Part A free of charge. Persons receiving under sections 1818 and 1818A are charged a monthly premium. Medicaid pays the premiums for some persons under the “**Part A Buy-In Program.**”

MEDICARE PART B

Eligibility

A person is eligible for Part B if he:

- Is eligible for Part A, or
- Is at least age 65, lives in the U.S., and is either a U.S. citizen or an alien lawfully admitted for permanent residence who has lived in the U.S. five consecutive years.

Note: If a person is age 65 or older and has not lived in the U.S. for five consecutive years, send or FAX a copy of the alien registration card to the Buy-In Unit. The Buy-In Unit must have the

person's date of entry so the other insurance code can be changed to 50 and Medicaid will process claims without Medicare documentation.

Enrollment

Generally, a person who is eligible for Part B and is enrolled in Part A is automatically enrolled in Part B. He may refuse Part B.

A person who is **not** automatically enrolled must apply for enrollment at the local SSA office during his **"Initial Enrollment Period"** or a **"General Enrollment Period"** (see below). The general enrollment period is waived for persons covered by the **"Part B Buy-In Program"** (see below).

Premiums

All persons enrolled in Part B are charged a monthly premium. The premium is determined by SSA. A person who does **not** enroll when first eligible is charged a higher premium. Premiums are automatically deducted from Railroad Retirement, RSDI, and U.S. Civil Service and Federal Employee Retirement checks. Medicaid pays the premiums for some persons under the **"Part B Buy-In Program"** (see below).

MEDICARE PART D

Eligibility

Starting January 1, 2006, Medicare prescription drug coverage will be available to everyone with Medicare. The Department of Community Health (DCH) is the state agency responsible for determining eligibility for the Low-Income Subsidy clients who want a determination made by the State.

Enrollment

A client may contact DCH to request an application at 1-800-642-3195. When a client requests the state agency determine eligibility, rather than have a SSA determination, DCH will mail an application to the client. The completed application should be returned to:

State Medicaid Agency
Medicare D LIS Processing
PO Box 30412
East Lansing, MI 48823

The DCH contractor will review and process the application within 45 days. MDHHS staff are encouraged to assist clients in applying online through the SSA website. The web address is: www.socialsecurity.gov or www.ssa.gov.

Premiums

A monthly premium will be charged and will vary based on the prescription drug plan the client has chosen.

MEDICARE ENROLL- MENT PERIODS

The following is a general description of Medicare enrollment periods and begin dates of coverage. Other rules apply to people with end-stage renal disease.

Initial Enrollment Period

For persons eligible under section 1818A the period begins the month they are notified of 1818A eligibility and ends seven months later.

The period for other persons extends for seven calendar months beginning with the third calendar month before the month a person would first be eligible for Medicare. The actual date Medicare coverage begins depends on when the person applies.

- Applies during first three months - coverage begins the month all eligibility requirements are met.
- Applies during fourth month - coverage begins the next month.
- Applies during fifth month - coverage begins the next month.
- Applies during sixth or seventh month - coverage begins the third month after enrollment.

General Enrollment Period

The general enrollment period is for a person who failed to enroll during his initial enrollment period. The general enrollment period is January 1 to March 31 each year. Medicare coverage begins July 1.

The general enrollment period is waived for persons covered by the **“Part A or B Buy In Program.”**

Part D Enrollment Period

A client who has Part A and/or Part B coverage can join a prescription drug plan. Information on part D enrollment may be found on the Social Security website. Once enrolled, Medicaid beneficiaries may change plans at any time during the year.

MEDICARE COST-SHARING BENEFITS

Medicaid may pay the following for Medicaid recipients who are entitled to Medicare:

- Medicare Part A premiums.
- Medicare Part B premiums.
- Part of Medicare Part B premiums.
- Medicare deductibles and coinsurances.

The type of Medicare cost-sharing benefits depends on the type of Medicaid eligibility.

Deductibles and Coinsurances

A deductible or coinsurance is the portion of a Medicare-covered expense which Medicare considers the patient's liability. Examples:

- Medicare pays hospital expenses exceeding an annual amount called a deductible.
- Patients receiving Medicare-covered nursing home care are responsible for part of the per diem cost for a certain number of days. This daily amount is called a coinsurance.

Medicaid pays the Medicare deductibles and coinsurances for full-coverage QMB recipients and all other Medicaid recipients. The amount paid is limited by Medicaid's own reimbursement rates for services.

Exception: Medicaid does **not** pay deductibles and coinsurances for:

Part A Buy-In Program

- SLM-only recipients (BEM 165),
- ALMs (BEM 165), and
- QDWIs (BEM 169).

The Part A Buy-In program is used to:

- Pay Part A premiums.
- Enroll persons eligible for, but **not** enrolled in, Medicare Part A.

The Part A Buy-In program covers persons entitled to Part A who are:

- Group 1 MA recipients **except**:
 - BEM 163 (AD-Care) recipients with Program Type (recipient) code 5
 - BEM 164 (Extended Care) recipients with Program Type (case) code 1
- Full-coverage QMB recipients (BEM 165)

Exception: Medicaid pays the Medicare Part A premium for QDWI recipients (BEM 169), but **not** through the Buy-In program.

Part B Buy-In Program

The Part B Buy-In program is used to pay Part B premiums. The program is an agreement between DCH and SSA. The program covers persons who are eligible for both Medicare Part B and are:

- BEM 110, Low Income Families and FIP recipients.
- BEM 150, SSI recipients.
- BEM 155, 503 individuals.
- BEM 156, COBRA widow(er)s.
- BEM 158, DAC recipients.
- BEM 163, AD-Care recipients.
- BEM 164, Extended-Care recipients eligible for QMB.
- QMB, SLMB and ALMB recipients (BEM 165).
- BEM 174, Freedom to Work.
- Group 2 MA recipients (most).

For persons included in the Part B Buy-In program, Medicaid:

- Pays the Medicare premiums; and
- Enrolls persons eligible for, but **not** enrolled in, Medicare Part B if they are enrolled in Medicare Part A or have refused Medicare Part B enrollment.

Generally, the Buy-In program operates automatically based on computer tapes from SSA and central office. Other insurance codes and social security claim numbers may be changed in Bridges by the Buy-In program activities.

Part B Buy-In Effective Date

The Part B buy-in effective date is:

- Determined by SSA for SSI recipients.
- The month QMB or SLMB coverage begins if the only basis for buy-in is Medicare Savings Program eligibility.
- Determined by DCH for ALMB.
- The earliest date the client is both MA and Medicare Part B eligible for all other persons covered by the Buy-In Program, except that buy-in **under** Group 2 MA is **not** retroactive more than two years.

The buy-in is usually processed at the end of the calendar month that a case is opened in Bridges. It takes SSA about 120 days after that to adjust the client's RSDI check. The client will receive a refund for premiums paid while the buy-in was being processed.

Part B Payments for ALMB

Full payment of Medicare Part B premiums is through the Part B Buy-In program provided funding is available. DCH decides whether funding is available.

Claim Numbers

DCH must know a person's health insurance claim number (HICN) for the Buy-In programs to operate. Generally a person's HICN and social security **claim** number are the same. The claim number is **not** the same as the social security account number (SSN). Enter a person's social security claim number (SS-CLAIM-NO) in addition to his SSN (SS-ACT-NO) to facilitate current or future Buy-In. The

Medicare Buy-In Coordinator may contact the local office to obtain an HICN when necessary. A person's HICN is the claim number on his Medicare card.

Note: HICNs do **not** end in HA, DI or P.

Claim Number Letter

DCH sends a letter, DCH-1144, to the clients described below urging them to apply for Medicare Part B in order to get a health insurance claim number. See “**EXHIBIT I**”.

The letter is sent to MA recipients who:

- Are age 65 or older, and
- Have Other Insurance code 90 on Bridges, and
- Do **not** have a Medicare/Social Security claim number in Bridges.

Clients are instructed to call the Medicaid Recipient Hot Line at 1-800-642-3195 if they have questions.

PROBLEMS

Problems arise from time to time. For example, a person may appear Medicare eligible, but is **not**. Direct problems related to Medicare status in Bridges or the Buy-In programs to Buyinunit@michigan.gov.

MEDICARE APPLICATION

The local office can submit a Medicare enrollment form to SSA on behalf of a deceased MDHHS MA client. The purpose is to obtain Medicare coverage of medical bills.

Proceed as follows when you receive such a request:

- Complete form HCFA-40B (“**EXHIBIT II**”) according to the instructions below. The form may be obtained from your local SSA office.
- Provide verification according to the instructions below.
- Mail the completed HCFA-40B to your local SSA office.

**HCFA-40B
Instructions**

Complete the HCFA-40B as follows:

- Print “Deceased Individual” along the top margin of the form above the title.
- Line 1 - If client’s claim number is unknown, enter social security number.
- Line 2 - Leave blank.
- Line 3 - Check yes. Print “Part A and B”.
- Line 4 - Enter client’s name.
- Line 5 - Enter name if appropriate.
- Lines 6 and 7- Enter client’s last address.
- Line 8 - Print “MDHHS” and your telephone number.
- Line 9 - Sign your name with the title “MDHHS Official”.
- Line 10- Enter date.
- Provide verification of:
 - Age, and
 - Citizenship/alien status, and
 - Five years U.S. residency (if **not** U.S. citizen), and
 - Death.

It is **not** necessary to include copies of documents. Just describe the document used as verification and give the date received in item 14.

Example: Case record contains a copy of a person’s birth certificate that was obtained at interview on 5/11/05. Record: “Birth certificate received by MDHHS 5/11/05.”

**Common
Verifications**

Age:

- Birth certificate established before age five.

- Religious record of birth established before age five.
- Driver's license.
- School or hospital record.

U.S. Citizenship:

- Birth certificate showing birth in U.S.
- U.S. passport.
- USCIS certificate of naturalization.
- I-551.

U.S. Residence:

- U.S. passport.
- The following statement: "MDHHS records show person has been a Michigan resident since (date)."

Death:

- Death certificate.
- Statement from funeral home.

You may want to contact:

- Your local SSA office about other acceptable proofs, and
- Your county clerk about getting death certificates.

EXHIBIT I

You must apply for medical insurance only (Part B) now.

You or your representative should:

- contact your local Social Security office. Please call them at 1-800-772-1213 (7:00 am-7:00 pm) to make an appointment.
- tell them you need to apply for medical insurance (Medicare Part B). **Take a copy of this letter to the Social Security Office when you apply.**

Note: You may qualify to have Medicaid pay your Medicare medical insurance premiums through an agreement with the Social Security Administration (SSA).

Your local SSA office may contact Medicaid's Buy-In Unit in Lansing. If you or your representative have any questions about this letter, please call the Medicaid Help Line at 1-800-642-3195.

We sent you this letter because:

- you are an active Medicaid client;
- our records do not show that you have a Medicare Health Insurance claim number, and
- you are age 65 or older or will soon reach age 65. After you reach age 65, **Medicare must pay medical claims before Medicaid will pay the balance.**

If you have a Medicare Health Insurance Card (a red, white and blue card), or have applied for Medicare within the last three months, please fill out the information requested below. Then return this letter to us in the enclosed return mail envelope.

You, your representative or the local Social Security office should complete the information requested below when you apply for Medicare Part B.

PLEASE RETURN THIS WHOLE COMPLETED PAGE IN THE ENCLOSED ENVELOPE

Medicare Claim Number _____

Hospital Insurance (Part A) effective date: _____

Application Date: _____

Medical Insurance (Part B) effective date: _____

Thank You
Medicaid Buy-In Unit

Enclosures

DCH-1144 "The Michigan Department of Community Health is an equal opportunity employer, services and programs provider."

EXHIBIT II (PAGE 1)

EXHIBIT II (PAGE 2)

FORM DOES NOT REQUIRE CLEARANCE OF OFFICE OF MANAGEMENT AND BUDGET	
APPLICATION FOR ENROLLMENT IN MEDICARE THE MEDICAL INSURANCE PROGRAM	
(TID) SMI	
1. SOCIAL SECURITY CLAIM NUMBER	2. FOR AGENCY USE ONLY
(CAN) <input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	(BIC) <input type="text"/> <input type="text"/> <input type="text"/>
3. DO YOU WISH TO ENROLL FOR MEDICAL INSURANCE UNDER MEDICARE?	
(DEC) YES <input type="checkbox"/>	
4. CLAIMANT'S NAME	
(CLN) Last name First name Middle initial	
5. PRINT SOCIAL SECURITY NUMBER HOLDER'S NAME IF DIFFERENT FROM YOURS	
6. MAILING ADDRESS (NUMBER AND STREET, P.O. BOX, OR ROUTE)	
IF THIS IS A CHANGE OF ADDRESS, CHECK HERE <input type="checkbox"/>	
7. CITY, STATE, AND ZIP CODE	8. TELEPHONE NUMBER
9. WRITTEN SIGNATURE (DO NOT PRINT)	10. DATE SIGNED
SIGN HERE → _____	(DOF) ____/____/____ MONTH DAY YEAR
IF THIS APPLICATION HAS BEEN SIGNED BY MARK (X), A WITNESS WHO KNOWS THE APPLICANT MUST SUPPLY THE INFORMATION REQUESTED BELOW	
11. SIGNATURE OF WITNESS	12. DATE SIGNED
13. ADDRESS OF WITNESS	
14. REMARKS	
(TOA) 1	
TO: (Circle one)	
(1) NEPSC	(2) MATPSC
(3) SEPSC	(4) GLPSC
(5) WNPSC	(6) MAMPSC
(7) ODO	(8) DIO
FORM HCFA-40B (1-90)	

PRIVACY ACT NOTICE

The Social Security Administration (SSA) is authorized to collect the information on this form under sections 1836, 1840, and 1872 of the Social Security Act, as amended (42 U.S.C. 1395o, 1395s, and 1395ii). The information on this form is needed to enable SSA and the Health Care Financing Administration (HCFA) to determine if you are entitled to supplementary medical insurance benefits. While completing this form is voluntary, failure to provide all or part of this information will result in your not being enrolled for medical insurance under Medicare. You should be aware that the information you furnish can be released by way of "routine uses" published in the Federal Register. Because they are too numerous to list here, SSA can furnish you with additional information upon request. You should also be aware that the information you provide on this form may be verified by way of a computer match (Pub. Law 100-503).

**SPECIAL MESSAGE FOR INDIVIDUAL APPLYING
FOR MEDICAL INSURANCE UNDER MEDICARE**

This form is your application for the medical insurance part of Medicare. It can be used either during your initial enrollment period, during any general enrollment period, or during a special enrollment period to which you **may** be entitled if you are covered under an employer's group health plan.

Your initial enrollment period lasts for 7 months. It begins 3 months before the month you reach age 65 (or 3 months before the 25th month you have received social security disability benefits) and it ends 3 months after you reach age 65 (or 3 months after the 25th month you received social security disability benefits). To have medical insurance start in the month you are 65 (or the 25th month of disability insurance benefits), you must sign up in the first 3 months of your initial enrollment period. If you sign up in any of the remaining 4 months, your medical insurance will start later.

If you do not file during your initial enrollment period, you can file any time after that during a general enrollment period which is the first 3 months of every year. If you sign up in a general enrollment period, your medical insurance begins July 1 of that year. However, when you file in a general enrollment period, your premium may be subject to a penalty increase. For each 12-month period elapsing between the end of your initial enrollment period and the general enrollment period in which you file, your premium will be increased 10 percent.

If you are age 65 or older and employed, or the spouse of an employed person, and are covered under an employer group health plan, you may be eligible to enroll during any of the 7 months after employment is terminated or, if earlier, after your employer group health plan coverage ends for any reason. Also, if you are under age 65, entitled to Medicare based on disability, and are covered under an employer's group health plan based on your own current employment or the current employment of your spouse, or are covered under a large group health plan based on your own current employment or the current employment of any family member, you may be eligible to enroll during a special 7-month enrollment period which begins when the employer group health plan coverage ends or the employment ends, whichever occurs first. Your medical insurance coverage will begin sooner under this special enrollment provision than it will if you delay enrollment until the following general enrollment period. Also, you may be eligible under this special provision for a reduction in the premium surcharge or penalty that usually applies to people who delay their enrollment in medical insurance under Medicare. If you are covered under an employer's group health plan and think that you may be eligible for a special enrollment period, please discuss your enrollment eligibility with a representative at the Social Security office.

*U.S. Government Printing Office: 1995 — 396-992/21210

LEGAL BASE**MA**

Social Security Act, Title 18, Section 1902(a)(10)(E), Section
1905(p)
42 CFR 431.625